

**State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
January 15, 2013, 4:30 P.M. to 6:00 P.M.
State of Rhode Island Department of Labor and Training
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920-4407**

Attendance

Members

William Martin (Co-Chair), Christopher Koller (Co-Chair), Gregory Allen, Stephen Boyle, Hub Brennan, Rob Cagnetta, Howard Dulude, Karen Fifer Ferry, Herb Gray, Linda Lulli, Pat Mattingly, Phil Papoojian, Peter Quattromani, Ed Quinlan

Issuers

Lauren Conway, Gus Manocchia, Craig O'Connor, Patrick Ross

State of Rhode Island Office of the Health Insurance Commissioner Staff

Herb Olson, Linda Johnson, Kim Paull, Patrick Tigue, Maria Casale

Not in Attendance

Karl Brother, Al Kurose, Wendy Mackie, David Mathias, Tim Melia, Ed Quinlan, Vivian Weisman

Minutes

1. Introduction and Welcome

Mr. Martin and Commissioner Koller called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance.

2. Review of Minutes

The minutes from the December 18, 2012 HIAC meeting were reviewed and approved with one change, noting that Bill Schmiedeknecht had indeed been in attendance at the meeting.

3. Office Updates

Commissioner Koller introduced Linda Johnson, the new OHIC Operations Director. He explained that she will be responsible for: (1) consumer protection, (2) form review, and (3) plan management with the Rhode Island Health Benefits Exchange.

Commissioner Koller thanked all members who attended the Public Input Meeting on Blue Cross Blue Shield of Rhode Island's December 2012 submission. Council members discussed their impressions of the meeting and Commissioner Koller noted that the HIAC could expect a final decision from OHIC on the filing within weeks.

Finally, Commissioner Koller briefly discussed the Health Care Planning and Accountability Advisory Council, of which State of Rhode Island Executive Office of Health and Human Services Secretary Steven Costantino and he are co-chairs. OHIC Director of Analytics Kim Paull supports the council. It will be issuing a report in March 2013, documenting the extent of excess hospital inpatient capacity. It is not final yet, but Commissioner Koller previewed the results, noting that in 2017, depending on the assumptions, Rhode Island may have somewhere between 2% and 7% excess capacity and will need to have conversations about what the state will do with that information.

4. New Business

Next, the council proceeded to take up two pieces of new business.

- **Building a Health Insurance Plan Rate Under the Affordable Care Act in Rhode Island:** The first discussion under New Business concerned how commercial health insurance issuers will build health insurance rates and how OHIC's rate review process will change under the Affordable Care Act. Commissioner Koller laid out the new process issuers will go through and then explained what information OHIC will review during each step in the process. The council discussed how OHIC might begin to share the most important parts of this information with the public and how to make it as accessible as possible. Commissioner Koller concluded that OHIC has worked very hard with the Rhode Island Health Benefits Exchange (RIHBE) to make it clear that as it begins to offer commercial insurance plans, we all have a great interest in the premiums and benefit designs. In particular, OHIC's interest is to make sure there is not any unfair price advantage for RIHBE.
- **Affordability Standard One (Primary Care Spend Standard) 2013 and 2014 Guidance:** OHIC's Principal Policy Associate Patrick Tighe reviewed a memo that provides guidance to issuers regarding Affordability Standard One (the primary care spend standard) for 2013 and 2014 that was developed in light of the council's recommendations. He reminded HIAC that the primary care spend standard requires issuers to "expand and improve primary care infrastructure." As such, it represents a core component of OHIC's strategy to facilitate delivery system reform in Rhode Island by bolstering the state's primary care infrastructure and promoting more efficient, affordable health care.

The memo directs issuers to allocate their spending on primary care as follows: (1) issuers must allocate spending to non-fee for service (FFS) payments such that at

least 40% in 2013 and 45% in 2014 of an issuer's total spending on primary care is allocated to non-FFS payments, (2) issuers must allocate spending to the Rhode Island Chronic Care Sustainability Initiative, (3) issuers must allocate spending to CurrentCare, (4) issuer may allocate spending to: (a) proprietary patient-centered medical home initiatives, (b) retrospective performance-based incentive payments, (c) retrospective payments to improve the value of care for a defined population, and (d) prospective per capita payments to develop the capacity to improve the value of care for a defined population, and (5) issuers must allocate spending to FFS payments such that no more than 60% in 2013 and 55% in 2014 of an issuer's total spending on primary care is allocated to FFS payments. The council thanked Mr. Tigue for presenting the memo.

5. Other Business

Public comments were then solicited by the council. Public comments were then solicited by the council. None were offered.

6. Next Meeting

Mr. Martin closed by noting that the council's next meeting will take place on February 19, 2013 from 4:30 P.M. to 6:00 P.M. at the State of Rhode Island Department of Labor and Training, located at 1511 Pontiac Avenue, Building 73-1 in Cranston. He thanked everyone for their attendance and the meeting was then adjourned by Mr. Martin and Commissioner Koller.